

"Carcass Merit Buying Matrix" is based upon Buyer's current definition for a standard carcass, which is a carcass with 50% lean, carcass weight of approximately 188 pounds, and that such matrix may be changed by Buyer from time to time and that such changes may reflect, among other factors, changes in Buyer's definition of a standard carcass. Other factors that could result in changes to the matrix may include, without limitation, changes in Buyer's instruments for determining lean percentage or size. At present, size is determined by weight in pounds, and lean percentage is measured using a "Fat-O-Meater." Buyer agrees that no changes shall be made in such instruments unless the substitute instrument is considered by Buyer to be more accurate. Carcass weight for the purposes of this Contract shall mean the net weight of the hog carcass after passing USDA inspection and prior to chilling. Copies of the processing or slaughter reports prepared by Buyer ("kill sheets") for the hogs delivered under this Contract will be mailed to Seller within two (2) days of the hogs slaughter by Buyer and shall contain information to show the calculation of the price for such hogs. All weights referenced herein are to be taken from government inspected and certified scales.

ARTICLE 9 - PAYMENT

Section 9.01

Buyer shall pay Seller in full before the close of the first business day after slaughter. All payments shall be by mail to Seller's offices. Payments shall be deemed made when received at Seller's offices. If any liens on the Market Hogs exist at the time of delivery, Buyer shall jointly pay Seller and such lien holders.

Should Buyer fail to make payments for a period of seven (7) days, Seller may suspend deliveries of hogs hereunder, but the exercise of such right shall be in addition to any and all other remedies to Seller.

Notwithstanding the above, at any time Buyer refuses delivery and/or fails to pay for hogs under this Contract, Seller has the right to sell said hogs on the open market to a third party.

ARTICLE 10 - DEFAULT

Section 10.01

Seller Default. For purposes of this Contract, a default by Seller shall be deemed to have occurred under any of the following circumstances (each, a "Seller Default"):

- (a) Seller defaults in the performance of any obligation hereunder and, provided that such default is curable, Seller fails to cure such default within thirty (30) days following receipt of written notification of such default from Buyer; or
- (b) Seller is adjudged a bankrupt, or if a proceeding of any kind under any law relating to bankruptcy, insolvency or relief of debtors is initiated by or against Seller and is not dismissed within thirty (30) days; or